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## Economic Development: The City of West Carrollton's Pathway to Growth

Christian J. Hansen

*Wright State University - Main Campus*

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**ECONOMIC DEVELOPMENT:  
THE CITY OF WEST CARROLLTON'S PATHWAY TO GROWTH**

A capstone project submitted in partial fulfillment  
of the requirements for the degree of  
Master of Science in Social and Applied Economics

by

CHRISTIAN J. HANSEN  
B.S., Wright State University, 2001

2008  
Wright State University

**WRIGHT STATE UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

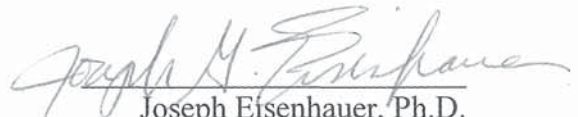
December 05, 2008

I HEREBY RECOMMEND THAT THE CAPSTONE PROJECT PREPARED UNDER MY SUPERVISION BY Christian J. Hansen ENTITLED Economic Development: The City of West Carrollton's Pathway to Growth BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF Master of Science.

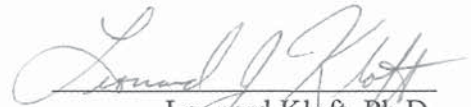
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## **ABSTRACT**

Hansen, Christian J. M.S., Department of Social and Applied Economics, Wright State University, 2008. Economic Development: The City of West Carrollton's Pathway to Growth.

This report is an overview of an economic development internship with the City of West Carrollton, Ohio, a suburb of Dayton, Ohio. The first section explores the City's administrative roles and structure. The second section contains a Strength, Weakness, Opportunity, and Threat (S.W.O.T.) analysis, which evaluates the City's current economic factors. Next, the Location Quotient (L.Q.) method quantifies the area's industry makeup. Summarized is the SWOT analysis and Location Quotient in a listing of industry recommendations based on economic growth trends. The third section is a discussion of Tax Increment Financing (TIF) as an economic development instrument. A cost versus benefit study numerically illustrates a realistic implementation of TIF. Subsequently, a review of a cited report demonstrates why the National Education Association objects to TIF. The fourth section, the conclusion, is a three-part process to assist the novice economic development administrator with problem solving.



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## **ACKNOWLEDGMENT**

I would like to thank the City of West Carrollton's administration and staff for their courtesy, hospitality, and professionalism. It was an honor working with such a talented group; I gained much knowledge and experience regarding the public sector, economic development, administration, and planning.

## **Introduction and Purpose**

My four-month internship at the City of West Carrollton concentrated on combining practical economic development solutions with academic research. This resulted in two assignments: conducting the Strengths, Weaknesses, Opportunities, and Threats (S.W.O.T) analysis and researching Tax Increment Financing.

The first assignment analyzed the City of West Carrollton's strengths, weaknesses, opportunities and threats (S.W.O.T.) in terms of its economic climate. This was largely a pragmatic exercise to assist the City in finding businesses that would most likely benefit the municipality's economic position. Along with the S.W.O.T. analysis, an economic analysis method known as the Location Quotient provided quantitative support for my recommendations.

My second assignment examined Tax Increment Financing (TIF). Although economic development practitioners often use TIF to improve an under-developed area, implementing such a tool can bring both positive and negative effects to a community. Since the result of a TIF district seldom favors every affected party, its use is controversial. My research explored the benefits and costs in the arguments.

While performing the two major assignments, I gained a broad overview of City Administration and how goals are tactically and strategically set. I worked closely with the various personnel, who gave me intimate experience with day-to-day activities of the Economic Development Director, City Manager, and City planner. In addition, I assisted the City by creating a property directory, which list properties for sale as shown in Appendix 1.

The above assignments and experiences have led me to organize this report in four sections:

Section I, entitled, “Economic Development Roles and Structures” focuses on my knowledge of the City’s departmental structure, institutional, and the interdependent roles of the Economic Development Director, City Manager, and City Planner.

Section II, entitled, “S.W.O.T. Analysis” contains economic development recommendations that I provided to West Carrollton’s administration. I made conclusions based upon my research and meetings with Economic Development Director Cathy Perkins.

Section III, entitled, “Tax Increment Financing” concentrates on describing, defining, and presenting the arguments for and against a TIF. This section contains a large body of academic research due to the absence of an actual TIF process in West Carrollton. Economic Development Director Kathy Perkins was in favor of creating a TIF for a



particular blighted area of West Carrollton; however, the TIF implementation phase never occurred. Although I was not involved in the process of creating a TIF, my research assisted me in understanding how it would affect a city similar to West Carrollton.

Section IV, entitled, “Reflections” demonstrates how a novice Economic Development Administrator might logically solve issues using a three-step process that includes identifying and defining the issue, brainstorming for ideas, and implementing a strategy.



## **I. Economic Development Roles and Structure**

West Carrollton, with a population of approximately 13,800, is located in Southwest Ohio and is a suburb of Dayton in Montgomery County. The City, part of the Dayton Metropolitan Statistical Area, spans 6.4 miles and 61 miles of streets (<http://www.westcarrollton.org/index.php/City-Information.html>). It, like other neighboring cities, has struggled to attract and keep businesses due to the effects of urban sprawl. Sprawl, coupled with an aging housing stock and limited amount of land for expansion, has created a declining population for the City. The declining population is a result of young professional citizens who chose to move away in search of newer, more modern neighborhoods instead of remaining in an older neighborhood and investing in costly housing improvements. Land expansion in aging communities, such as West Carrollton, is limited because of surrounding cities; that is, neighboring cities maneuver for control of remaining township acreage. "Annexation", the process of a city claiming land, is often the only way an aging city can continue to develop. Moreover, a constantly changing global economy continues to challenge all cities young and old, and city officials have the formidable task of predicting trends and redefining the city to meet evolving business and community needs. For example, business needs may come in the form of building new facilities and renovating or tearing down old structures. Community wants, for example, may consist of new neighborhood developments with lighted streets and state-of-the-art housing or a recreation center. It is virtually impossible to remedy all of the previously mentioned issues and challenges in a short time frame.

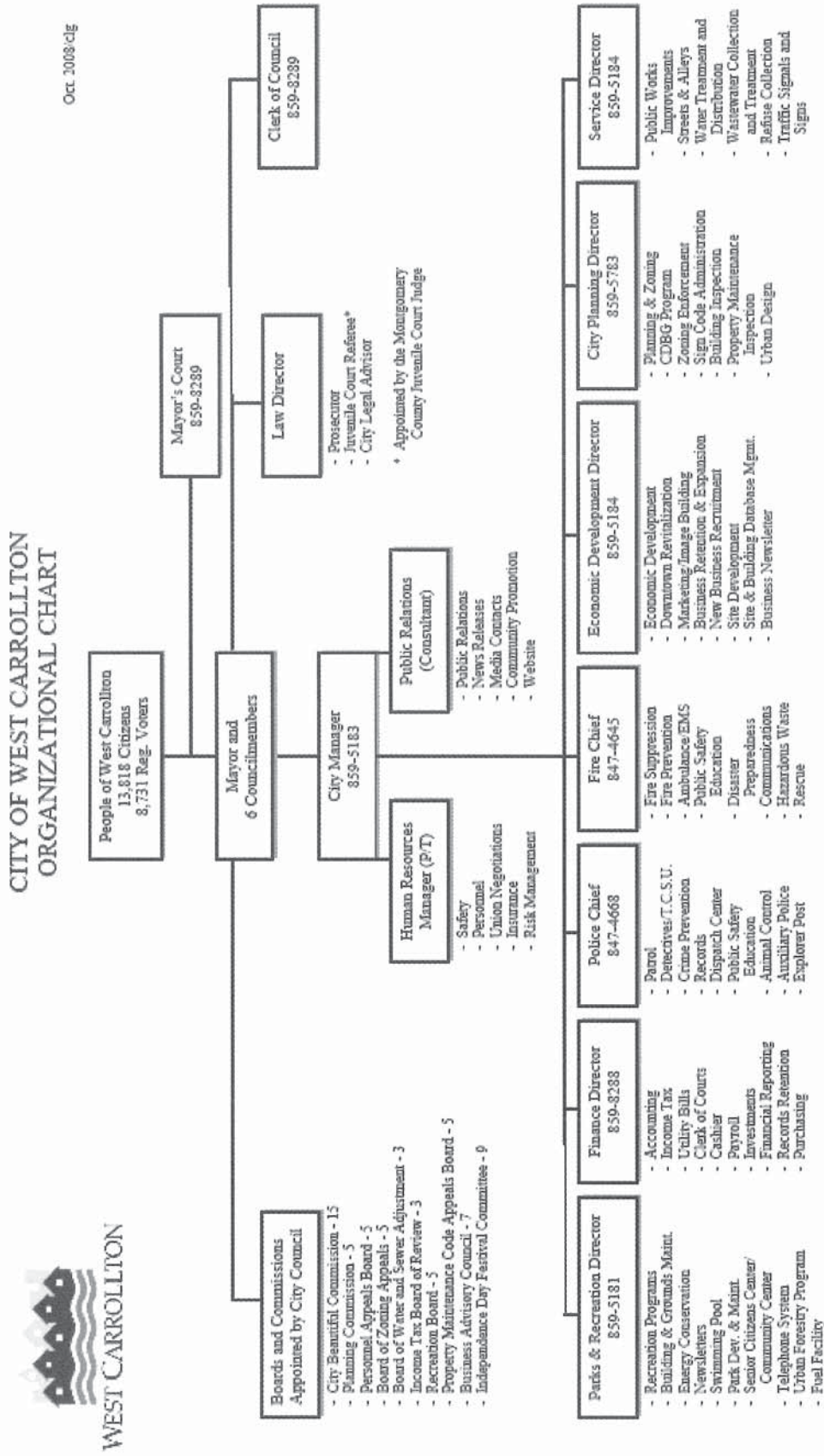
Quick fixes are not possible in an area that has suffered economic losses for years. Therefore, as West Carrollton moves through its transitional phase, it must contend with a declining population and a deteriorating business climate; both the City Planner and Economic Development Director roles are instrumental in rectifying and mitigating this situation. The roles of the Director of Economic Development, City Planner, and City Manager must be defined individually because they are extremely vital positions due to their respective part in the economic development process and overall functionality of city administration. Presented first, before defining individual responsibilities, is the collective coordination and interactions of leadership positions, which is the organizational structure of city leadership.

### **A. Organizational Structure**

The City of West Carrollton has a City Manager to lead the seven departmental Chiefs and Directors: Parks & Recreation, Finance, Police, Fire, Economic Development, City Planning, and Service. Although these roles are independent of one another, certain positions are necessarily interdependent such as the Chief of Police and the Fire Chief; also the City Planning Director and the Director of Economic Development. To reach objectives a synergy must exist between the two related departments. The City Manager is much like a corporation's CEO in that he/she acts on the citizens' behalf similar to how the CEO acts in the shareholders' behalf. The overall organizational structure of a city is similar to a corporate hierarchical model with subordinates answering to superiors.

Presented below is an organizational chart, which highlights position and leadership accountabilities. While it is possible for a further discussion on the individual roles listed on this chart, primary focus is on the Director of Economic Development with a secondary focus on the interdependent role of the City Planning Director and presiding role of City Manager.

Figure 1: West Carrollton Organizational Chart





## **B. City Manager**

In a conversation with West Carrollton's City Manager, G. Tracy Williams, I posed several open-ended questions to understand what role the City Manager plays to enhance economic development. He gave a concise response, "to increase or to create tax base" (Friday, October 27, 2006). He replied that there were three ways to increase city revenues: property taxes, sales taxes, and income payroll taxes. He further noted that West Carrollton was interested in the income tax because that is what draws the most revenue for the city. Previously, City Manager Williams was in Arizona where the impetus was on raising revenues through sales taxes. He explained that the area had a large mall and people from other cities would shop at this mall; tax revenues received are from customer purchases via a city sales tax. He further clarified that in West Carrollton's position, increasing the number of income taxes collected equated to increasing the number jobs in the city, which was the responsibility of the Director of Economic Development. Initially, one might disagree with this perspective in anticipating there must be more to economic development than just increasing the tax base. Upon contemplating the City Manager's answer, one might realize that he was focusing on the overall effect of economic development. The tools of economic development are a means to an end, and in the City of West Carrollton, the result is an increased tax base. An increased tax base is the means for city officials to maintain the quality of public services such as garbage collection, police and fire departments. This aspect leads to an understanding of the conceptual goal or objective of the Economic Development role as defined by city leadership. Mr. Williams was also open to sharing his view of what makes a city great, stating that culture, quality of life, and image of the city are

immensely important for a city's population to thrive. This was a pertinent point because the City of West Carrollton itself is currently in the development stage of creating a new image; this is though an extensive marketing effort. For example, "*You'll Feel Right At Home*" is a branding catchphrase used to create a positive city atmosphere. When accessing the City's website, <http://westcarrollton.org/>, the slogan is in large font so that the reader relates West Carrollton with a warm and friendly hometown environment. City Manager Williams then mentioned a critical issue that the city is facing, which he called "inner ring suburb challenges." These challenges plague the city in the form of population sprawl. Mr. Williams summarized this issue by stating,

As time has progressed, the suburban population as a whole has shifted farther away from older developed communities. For instance, Dayton's population has gradually expanded into West Carrollton; and into Centerville; farther into the extra-urban community of Springboro; and now West Chester, a Cincinnati suburb, has a thriving population. West Chester is now the new exurb as people and businesses move further from the downtown areas of Dayton *and* Cincinnati.  
(Conversation October 27, 2006)

The City Manager was referring to "Urban sprawl"; it is problematic for older cities like West Carrollton that previously depended on a larger population base for growth and revenue.

While the City Manager has the job of guiding the city strategically, economic development is a central issue as it provides a revenue stream for other activities within the municipality. The City Manager must rely on the Economic Development Director to remedy issues such as urban sprawl and "inner-ring suburb challenges". The following section describes the multiple roles and functionality of the Economic Development Director.

### **C. Economic Development Director**

The city's Economic Development Director, or ED for short, is an integral part of the greater administrative system. The ED manages the city's development and supervision of programs to attract businesses and industries to locate within the city and to promote expansion of existing businesses and industries. A conceptual challenge of the ED is to manage the city's constantly changing business climate. As West Carrollton Economic Director Catherine Perkins stated in a meeting, "A city's business community can either prosper or decline, but it can never remain constant." This is due to the interactions among business, economy, and municipality. For example, a poorly performing economy may cause a corporation, which possibly employs thousands of city residents, to close or to relocate. An unexpected change of this magnitude has considerable negative effects on a city. This underscores how imperative it is for a city to invest continually in economic programs, incentives, and campaigns to maintain a successful business environment. Enhancing and even comprehending a city's "business climate" can be challenging, but the return on investment is a thriving, vital community. The Director of Economic Development must make this connection between business and community.

The Economic Development Director is obligated to perform specific tasks such as ensuring occupancy of buildings by businesses and encouraging efficient land-use. More generally, the ED Director must perform a plethora of duties that are often not the ED Director's direct responsibility, yet affect the city's economic development. Listed below are important roles that he/she must assume as an ED Director.



## **1. ED Director as an Environmentalist**

One general role is that of an environmentalist for the City. For instance, the ED Director must consider the environment when interested parties vie for a parcel of land. The particular zoning of that land or building allows the ED Director to make choices concerning what type of business should occupy the site. An example of this might be a corporation that bids to purchase property close to a school with an aim of building a hazardous factory. The ED Director will then assume the environmental role and weigh the consequences of allowing a factory, which spews potentially harmful pollutants into the air, next to a neighboring schoolyard. While the ED Director does not have direct zoning powers, he/she can work closely with the City Planner in deciding the most efficient and practical use of land. This example also highlights the synergy between City Planner and Economic Development Director. In the City of West Carrollton, while the two roles are usually separate, this is not always the case because the position of the ED Director is periodically to act in the dual roles of Planner and Developer. For example, if the city is rural and attracts major industry, the ED Director must decide whether greater industry presence would enhance the city or decay an established infrastructure that consists primarily of corporate office-style businesses. The ED Director envisions the future shape of the local communities and businesses and how these forces interact with each other to create a successful city – a city that is both responsive to its citizens and business clients alike. The ED must also recognize that certain parts of the city, such as parks and designated recreational areas are preserved and repaired for environmental aesthetics and community usage. For example, the City of West Carrollton has recently



constructed and solely funded a Young Men's Christian Association (YMCA) to increase the residents' level of satisfaction. The mortgage payments are an estimated \$459,000<sup>1</sup> per year, yet these are the sacrifices city council and staff members must make to change the citizens' negative perception of the City to an image that is associated with good health and a united community. These certainly are selling points for the city to attract new businesses and to retain the current population base.

## **2. ED Director as a Salesperson and Politician**

While the ED Director must act as a salesperson to promote and attract the right businesses to the area, the ED Director also plays the part of a politician to see legislation from the start to the finish. Federal, state, and even local "red tape" can disrupt the economic development process if the Economic Development Director is not an astute politician. For instance, he or she must address City Council on many different items such as particular financing incentives to attract business and he or she must communicate about and lobby for these incentive effectively to garner support and approval.

## **3. Economic Development Director's Necessary Abilities**

When citing the day-to-day challenges of the Economic Development Director, it is important to highlight particular skills that are necessary to succeed. While having a degree or advanced degree in Economics might seem to be the main prerequisite, practical skills such as leadership, communication, delegation, conceptual ability,

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<sup>1</sup> Additional monthly principal balance payments affect the annual mortgage payment figure.

analytical skill, and decisiveness are required to be an effective ED Director. Summarized below are these abilities:

### **Leadership**

Leadership is imperative in managing the department. For instance, an ED may need to organize, and possibly lead, a committee to pressure a landowner to accept zoning changes to parcel of land. The ED will also lead in negotiations with developers, business leaders asking for incentive agreements and tax abatements, and local business owners requesting small business assistance. The ED leads in making positive changes within the city's local business environment by implementing, for example, an "open door" policy to business owners for advice regarding building repairs and improvements. This policy would allow owners to call or meet with the ED to discuss issues without the formality of making a formal meeting request. As a result, the Economic Development Director's leadership skills precede the city's reputation for business assistance.

### **Communication**

Communication is a vital skill to trumpet the vision and goals of the economic development department. The essence of economic development is managing relationships and marketing the city to prospective businesses; therefore, any miscommunication may be costly causing temporary or permanent damage to the reputation of the ED and to the city. Examples of situations in which skillful written and verbal communication are needed include, participating in development organizations, leading client meetings, completing lengthy and detailed government applications,

establishing a functional relationship with City Council, and networking with other cities' staff.

### **Delegation**

Delegation assists the ED Director in working efficiently on projects that are appropriate. For instance, the more time an ED Director works on collating paperwork, the less time he or she has to make high-level decisions or to develop strategies needed to drive the long-range vision of the department. Delegation is not to be confused with simply ordering a subordinate to do extra work, but is a necessary management skill that empowers lower-level employees to learn and acquire new skills. This, in turn, releases the ED Director from performing reoccurring, manual tasks that prevent the Director from making progress in higher-level decisions.

### **Conceptual Vision**

Long-range vision concerning how the city must change to be prosperous is a conceptual skill that is necessary to a successful Economic Development Director. For example, an ED Director may be new to the city and not yet grasp the local economy or surrounding areas. By collecting information such as maps, current economic data, and state and local regulations an ED Director must conceptually define the economic positioning of the city. Defining the city abstractly allows the ED Director to think outside of the normal parameters to make changes that, under routine circumstances, are seemingly improbable. West Carrollton's construction of the Young Men's Christian Center (YMCA) is an example of a conceptual thought process. Many cities independently fund a YMCA



project or depend on donations from private investors. The City of West Carrollton, instead, asked neighboring cities for financial assistance in the creation and development of the center. Had the financial development of the facility been successful, it would have allowed individuals from collaborating cities membership as residents. Unfortunately, at the last moment, the joint effort broke down and West Carrollton now had sole responsibility in the building of the YMCA. Although the original plan failed, the originality of this initiative emphasizes the need to apply conceptual skills as a way to generate an idea.

### **Analytics**

While “soft skills” such as delegation and communication play an integral role in the success of an ED Director, analytical skills are fundamental to the role. For example, analytical skills may include the reviewing data of unemployment rates, revenues, and the cost-benefits of implementing incentive-based programs. In addition, it is advantageous for the ED Director to have extensive knowledge of computer programs and information technology skills to diagnose multiple issues. Computer programs and software often used are SAS, IMPLAN, and Job and Economic Development Impact (JEDI) Model for economic impact studies or other types of analyses. Geographical Information Systems or GIS, an interactive mapping technology, is now a mainstay of any Planning and Economic Development department. GIS allows administrators to make easier, more accurate zoning decisions and as ESRI, a leading GIS software provider explains, “geography plays a role in nearly every decision we make. Choosing sites, targeting market segments, planning distribution networks, responding to emergencies, or

redrawing country boundaries” (<http://www.gis.com>). Although these computer programs are not currently in use by West Carrollton’s ED Director, these software programs would, for example, play an important role in conducting an economic impact study. Furthermore, while understanding how these computer programs are developed is not necessary, an understanding of which program works best for a particular project is imperative. Basic mathematical abilities are required to analyze data from a quick reference standpoint. For instance, costs, revenues, and budgets are main topics in staff, client, and council meetings. Questions asked directly to the ED Director normally consist of dollar amounts, time commitments, and returns on investment; he or she must be comfortable to manipulate figures quickly and give precise answers.

### **Decisiveness**

The ED Director must have the ability to manage multiple projects with resounding determination so as not to impede the ensuing projects. For example, in a single day he or she may organize a committee regarding business development and attraction, complete timely paperwork for an economic development project, and meet with local business owners. The ED Director must know which tasks to delegate and be determined to complete each task in a timely manner. Each day, the ED Director analyzes his or her progress, decides which steps to take next, and verifies deadlines that accompany each assignment.

#### **4. ED Director as a Change Agent**

The world is an ever-changing environment and the ED Director must utilize multiple skills and manage innumerable tasks to steer effectively through this change. From the city's economic business climate to the literal climate of a city itself, the changes that a city might and will go through affect the decisions that an ED Director makes. While managing change is important, he or she must also encourage change when needed. For instance, West Carrollton's ED Director acts as a change agent to help promote a change in the types of businesses the City attracts. Historically, West Carrollton was home to blue-collar industries with just over 21% of the population working in Production, Transportation, and Material Moving occupations compared with the national average of 14.44% (<http://www.bestplaces.net>). With an evolving service-oriented economy, the ED Director is redirecting efforts to attract more consumer-based businesses such as El Meson and Ele Cake Company (formerly A Taste of Elegance). Recently, Ele Cake Company relocated to a larger building to accommodate its expansion; Greg Gaines, City Planner, remarked that this is "the first step in the redevelopment of the Center City district." "This has been a catalyst for discussion with other developers and realtors on other key parcels in the area."([http://www.westcarrollton.org/stories/ele\\_opening.pdf](http://www.westcarrollton.org/stories/ele_opening.pdf)). This signals the form of revitalization the City of West Carrollton's development team, with the ED as the lead change agent, is prodding to maintain. Canvassing other service-oriented industries may include health care; retail and food preparation; information technology; and employment agencies. Occupational wages within these industries have a wide deviation, for instance a newly graduated nurse with his or her bachelors degree can expect to earn between \$50,000 and \$60,000 per year while a "Home Health Aide", may expect to earn only between \$10.00 and \$12.00 an hour (<http://www.bls.gov/oco/.htm>). A variance



persists across industries as well, for instance an information technology Computer Operator earns a median annual income of approximately \$33,500, while a Restaurant Cook can expect to earn about \$20,000 per year, or about 40% less than a Computer Operator's wage (<http://www.bls.gov/oco/.htm>). With such a wide disparity of wages across and within industries, the ED Director's job is to solicit businesses that employ the highest paid workers in that chosen field and industry. He or she will research the industries and businesses to ensure that there is a positive impact on the tax base. For example, if a large manufacturing company closes the ED Director's responsibility is to replace these loss wages with proportionate salaries. While seemingly simplistic in strategy, the task requires a dedicated ED Director that will forge ahead as the proponent of change.

#### **D. City Planner**

As previously mentioned, the ED Director and City Planner operate in tandem. The City Planner has the responsibility of city zoning. By placing different restrictions on sections of land within city boundaries, the Planner can ensure that the layout of the city has a logical flow. The Planner, working with City Council, citizens, and the ED Director must decide what is appropriate for a city in terms of the physical makeup. For instance, the City Planner often places a "buffer zone" between residential and business zones so there is apt separation between the two entities, which is enforced by a comprehensive Zoning Code. The Zoning Code describes the rules and regulations of land usage. Thus, by coding land usage, the City Planner can ensure a proper arrangement of businesses and houses.

More formally, the role of a City Planner is to "develop long- and short-term plans to use land for the growth and revitalization of urban, suburban, and rural communities, while helping local officials make decisions concerning social, economic, and environmental problems." <http://www.bls.gov/oco/ocos057.htm>

While the Planner has a direct responsibility to the citizens of the city, the ED Director has a duty to the business community. Together, these two positions' decisions affect how the city advances as a whole; in theory, the two positions work together. For instance, in the City of West Carrollton, administration is constructing a twenty-year Comprehensive Plan, called "Comp Plan", which includes a vision statement, defined goals, objectives and ways to implement the plan. Occasionally, the City Planner and Director of Economic Development do not agree. As a hypothetical example, the possible planning of a Wal-Mart can place the two positions at odds with each other. Wal-Mart could mean jobs and revenues for the city, yet the planner would look at Wal-Mart as being unattractive to the city and community with the store's flavorless structure. The two positions would have to work together and compromise to find a solution. Therefore, although the City Planner has responsibilities beyond what the aforementioned, zoning is the single most important factor that affects economic development.



## II. SWOT Analysis

The U.S. economy has shifted away from the production of physical products, i.e. manufacturing and processing, and to more service, information, and technological industries. The state of Ohio is no exception with this trend in the high number of corporations that call Ohio “home base”. Ohio ranks 5<sup>th</sup> in the nation regarding the number of corporate headquarters and includes 62 Fortune Magazine recognized companies (<http://www.odod.state.oh.us/research/files/b100000003.pdf>). Virtually all of these companies are located in Cincinnati, Cleveland, and Columbus or suburbs of these cities) with Dayton accounting for only one – NCR. While this is not surprising due to the vast population and area of Cincinnati, Cleveland, and Columbus, the percentage at which employment and job growth seem to diverge amongst city comparisons is alarming, as shown in subsequent tables.

Table 1: Economy – West Carrollton, Ohio, Columbus, Ohio, United States

ECONOMY	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>Unemployment Rate</u>	6.40%	4.90%	5.00%
<u>Recent Job Growth</u>	-0.24%	1.25%	1.30%
<u>Future Job Growth</u>	-1.26%	7.42%	9.06%
<u>Sales Taxes</u>	7.50%	6.75%	6.00%
<u>Income Taxes</u>	7.24%	6.99%	5.02%
<u>Household Income</u>	\$41,788	\$40,437	\$44,684
<u>Income per Cap.</u>	\$21,138	\$21,821	\$24,020

Source: <http://www.bestplaces.net/>

Table 2: Economy – West Carrollton, Ohio, Cincinnati, Ohio, United States

ECONOMY	West Carrollton City, Ohio	Cincinnati, Ohio	United States
<u>Unemployment Rate</u>	6.40%	5.40%	5.00%
<u>Recent Job Growth</u>	-0.24%	1.02%	1.30%
<u>Future Job Growth</u>	-1.26%	2.01%	9.06%
<u>Sales Taxes</u>	7.50%	7.00%	6.00%
<u>Income Taxes</u>	7.24%	7.09%	5.02%
<u>Household Income</u>	\$41,788	\$31,960	\$44,684
<u>Income per Cap.</u>	\$21,138	\$21,632	\$24,020

Source: <http://www.bestplaces.net/>

Table 3: Economy – West Carrollton, Ohio, Dayton, Ohio, United States

ECONOMY	West Carrollton City, Ohio	Dayton, Ohio	United States
<u>Unemployment Rate</u>	6.40%	6.40%	5.00%
<u>Recent Job Growth</u>	-0.24%	-0.24%	1.30%
<u>Future Job Growth</u>	-1.26%	-1.42%	9.06%
<u>Sales Taxes</u>	7.50%	7.50%	6.00%
<u>Income Taxes</u>	7.24%	7.24%	5.02%
<u>Household Income</u>	\$41,788	\$27,975	\$44,684
<u>Income per Cap.</u>	\$21,138	\$15,860	\$24,020

Source: <http://www.bestplaces.net/>

As delineated in the preceding table, West Carrollton closely mirrors Dayton in many categories, particularly concerning the rate of unemployment and job growth. This may indicate a casual relationship between West Carrollton, Dayton, and their dependence on the automotive industry. The relatively high tax rate (state, county, and local) of Dayton and West Carrollton is disconcerting from a standpoint of attracting and retaining an educated workforce.

While the cities of West Carrollton and Columbus are very different from each other in terms of area and population, it is interesting to compare the two by percentages because Columbus is one of the more successful cities in Ohio. These percentages portray the characteristics of a declining city (West Carrollton) versus a prospering city (Columbus).

For example, as shown in the following table, it is interesting to note a decrease in the population of West Carrollton, while Columbus' population is increasing. Also, West Carrollton has a small percentage of minorities compared to the flagship city of Columbus as well as the U.S. Diversity is often a reflection of a culture-friendly environment, which attracts a creative population important for stimulating the growth and image of a city. While West Carrollton is similar to the total U.S. in percentage of "Never Married" individuals, Columbus is proportionately greater in this category and consequently is a younger population, substantiated as "Median Age."

Table 4: Demographics – West Carrollton, Ohio. Columbus, Ohio. United States

PEOPLE	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>Population</u>	13,299	730,008	293,655,400
<u>Pop. Density</u>	2201.6	3386	80
<u>Pop. Change</u>	-5.16%	2.58%	5.88%
<u>Median Age</u>	35.1	30.4	37.6
<u>Household Size</u>	2.23	2.33	2.58
RACE			
<u>White</u>	93.10%	70.99%	77.53%
<u>Black</u>	5.67%	24.11%	12.35%
<u>Asian</u>	1.07%	3.50%	3.58%
<u>American Indian</u>	0.00%	0.37%	0.89%
<u>Other</u>	0.16%	1.03%	5.65%
<u>Hispanic</u>	0.87%	2.45%	12.73%
FAMILY			
<u>Married, w/children</u>	17.97%	16.31%	27.90%
<u>Married, no children</u>	26.76%	19.28%	31.04%
<u>Single, w/children</u>	9.52%	11.84%	9.43%
<u>Single, no children</u>	5.66%	7.10%	30.05%
<u>Divorced</u>	15.00%	12.03%	7.64%
<u>Separated</u>	1.51%	2.17%	2.82%
<u>Widowed</u>	6.08%	5.25%	7.42%
<u>Now Married</u>	52.53%	42.64%	57.73%
<u>Never Married</u>	24.88%	37.91%	24.39%

Source: <http://www.bestplaces.net/>



The next table reflects certain health concerns. According to this table, while the air quality in West Carrollton is better than the air quality in Columbus, the “Superfund Site” ranking is well below that of Columbus’ making for a possible weakness in the health category.

Table 5: Health – West Carrollton, Ohio, Columbus, Ohio, United States

HEALTH	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>Air Quality (100=best)</u>	22	13	48
<u>Water Quality (100=best)</u>	33	49	55
<u>Superfund Sites (100=best)</u>	30	70	71
<u>Physicians per Cap.</u>	323.5	357.4	169.7

Source: <http://www.bestplaces.net/>

When analyzing the cost of living between the two cities, as shown in the table below, the low cost of living that West Carrollton offers would be a benefit.

Table 6: Cost of Living – West Carrollton, Ohio, Columbus, Ohio, United States

COSTLIV	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>Overall</u>	83.8	103.3	100
<u>Food</u>	95.8	103.9	100
<u>Housing</u>	58.6	102.8	100
<u>Utilities</u>	99	111	100
<u>Health</u>	97	97.4	100
<u>Transportation</u>	103.5	103.3	100
<u>Miscellaneous</u>	96.9	102.4	100

Source: <http://www.bestplaces.net/>

While transportation costs seem high, this may be a result of the large degree of people with car-only transportation affected by the high gas/oil prices as supported in the next table:

The above table also displays that while the commute time is commensurate with Columbus, West Carrollton’s mass transit system is either not fully utilized or not

effective in meeting citizens' needs. In addition, as a side note, notice the difference in carpooling percentages as it relates to the "Auto (alone)" percentage. An argument might suggest that a carpooling incentive-based program would spur a more efficient use of transportation and roadways. Although West Carrollton's utilization of the public transportation system is tenuous, easy access to highways and roadways is a desirable trait of West Carrollton.

Table 7: Transportation – West Carrollton, Ohio, Columbus, Ohio, United States

TRANSPORTATION	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>Commute Time</u>	22.2	22.8	27.4
COMMUTE MODE			
<u>Auto (alone)</u>	86.81%	79.71%	71.32%
<u>Carpool</u>	8.39%	11.01%	14.52%
<u>Mass Transit</u>	1.61%	3.93%	2.00%
<u>Work at Home</u>	1.04%	2.32%	5.46%

Source: <http://www.bestplaces.net/>

From an education standpoint, there are numerous colleges and universities located in the immediate Dayton/West Carrollton area including:

- University of Dayton (private) – enrollment approximately 11,000
- Wright State University (public) – enrollment approximately 16,000
- Sinclair Community College (public) – enrollment approximately 24,000
- Miami Jacobs Career College (public) – enrollment approximately 600
- Southwestern College (public) – enrollment approximately 150

This is hardly an exhaustive list, with more than 61 pages of internet search results for Dayton colleges and universities. These colleges and universities produce a highly educated labor group. To continually draw and retain these individuals to the area, a growing business environment is vital. In the succeeding table, less than 12 percent of West Carrollton's population has earned at least a bachelor's degree compared to over 20

percent in Columbus and approximately 15 percent nationally. Also displayed in the table below, West Carrollton public schools are commensurate when compared to state spending per student and, according to state classification, the school district is “Effective”, which demonstrates West Carrollton provides students an adequate education (<http://www.ode.state.oh.us/reportcardfiles/2007-2008/DIST/045054.pdf>). This is a necessity for a recent 20 to 30 year old couple preparing to start a family.

Table 8: Education – West Carrollton, Ohio, Columbus, Ohio, United States

EDUCATION	West Carrollton City, Ohio	Columbus, Ohio	United States
<u>School Expend.</u>	\$6,574	\$6,445	\$6,058
<u>Pupil/Teacher Ratio</u>	17	19	15.9
<u>Students per Librarian</u>	884	701	907
<u>Students per Counselor</u>	676	545	546
<u>2 yr College Grad.</u>	7.96%	5.77%	8.22%
<u>4 yr College Grad.</u>	11.97%	20.31%	15.16%
<u>Graduate Degrees</u>	4.96%	9.24%	7.16%
<u>High School Grads.</u>	86.96%	84.21%	79.62%

Source: <http://www.bestplaces.net/>

Another aspect of West Carrollton is the quality of life regarding health care; this is according to the proximity of hospitals including:

- Southview Medical Center (about 3 miles; Dayton, OH)
- Sycamore Hospital (about 3 miles; Miamisburg, OH)
- Dayton Heart Hospital (about 6 miles; Dayton, OH)
- Premier Health Partners network including Good Samaritan Hospital (about 10 miles; Dayton, OH) and Miami Valley Hospital (about 7 miles; Dayton, OH)
- Kettering Medical Center (about 4 miles; Kettering, OH)

The above is a sample of major hospitals in the immediate area, as conducting a search on the internet of Dayton medical centers and hospitals returns twenty-three pages of



results. This conclusion supports that although the City of West Carrollton does not include a hospital, the surrounding communities provide for a solid health care base.

## **A. Findings**

A summarization of the overall business climate of The City of West Carrollton is contained in the following SWOT Analysis:

### **Strengths**

- Access to educational institutions and graduates
- Proximity to major highways and roadways
- Numerous established local health care facilities
- Solid city school system (based on spending per student and state report card)
- Low cost of living based upon food, housing, utilities, and health care

### **Weaknesses**

- Higher unemployment
- Taxes... i.e. municipal income tax
- Superfund site (health concern)
- Lack of Public Transportation usage
- Lack of skilled labor

### **Opportunities**

- Underdeveloped land/redevelopment of land
- Economic Incentives
- Local colleges and universities for possible labor retention
- Minority base
- Local image

### **Threats**

- Ripple effect from diminishing Dayton economy
- Location inducements (competition with other cities)
- Continuing decrease in city population
- Unbalanced labor force: shortage of professionals to fill future demand
- Reliance on declining manufacturing industries to support economic development

## **B. Location Quotient Analysis**

After determining the SWOT analysis, the next step considers which industries to target. The use of the location quotient is often helpful to practitioners. Represented as a ratio, it indicates industry representation at a county level. The data collected and provided from the Bureau of Labor Statistics or BLS is in location quotient form, therefore few calculations are required. Possessing an understanding of the methodology behind the calculations is important to analyze and diagnose accurately regions and industries. For example, the industry of “Natural Resources and Mining” which has 1,723,624 U.S. workers compared to all U.S. industries, which totals 110,634,510. The number 1.56% results from dividing the specific industry by total industry. Using county-level data of 245,658 total workers compared to 257 Natural Resource and Mining workers and dividing these figures, the result is .10%. By dividing the two resulting figures of .10% and 1.56%, a Location Quotient is calculated. The L.Q. for Montgomery County’s Natural Resources and Mining industry is therefore, .10% divided by 1.56%, which is .064. The BLS rounds this to two digits as 0.07.

Industries and their respective Location Quotients are subsequently presented and grouped into multiple categories ranging from “Very underrepresented” to “Very highly represented” to quantitatively assess the industry structure of the area. Overrepresented industries have a location quotient over 1.00; underrepresented industries have a location quotient under 1.00; and average represented industries are 1.00. The categorization is intentionally imprecise, as this is heuristics and not an exact science. For example, a .91 location quotient may be in the category of “Average represented”. The displayed data



were taken from the BLS website,

[http://data.bls.gov/LOCATION\\_QUOTIENT/servlet/lqc.ControllerServlet](http://data.bls.gov/LOCATION_QUOTIENT/servlet/lqc.ControllerServlet) and represent Montgomery County's industry composition. This location quotient analysis would assist in a direct mail marketing campaign by quantifying which industries and businesses to target. Although some caveats are considered in using such data. First, if a location quotient exists that is underrepresented one should not conclude that a particular city or county is in need of this industry. Due to county restraints and economies of scale and scope, many industries simply are not sustainable in certain communities. For instance, as shown below, the location quotient data from Montgomery County suggests amusements, gambling, and recreation are in the underrepresented category. Gambling is illegal in Montgomery County and obtaining a professional sports team in smaller cities similar to West Carrollton is unrealistic. As a result, the Economic Development Director or practitioner should first consider whether an industry is logically suitable for the area of interest. Likewise, a Very High overrepresented industry is not one to ignore automatically. For example, the Health Industry is continually growing and presenting new employment opportunities. I would not recommend hospitals or nursing homes for the City of West Carrollton because of the large land requirement and overabundance in the Dayton and Montgomery County area. Small doctors' offices may present the City with a way to leverage the blossoming health industry while keeping land occupancy to a minimum.

The five groups presented below give a numerical account regarding the presence of individual industries within Montgomery County.

Group data from (<http://data.bls.gov>)

Table 9: Location Quotient Group 1 – Very Underrepresented Industries

<b>Group 1</b>		
<b>Very underrepresented Industries</b>		
<b>L.Q less than 0.7</b>		
		<b><u>L.Q.</u></b>
Natural resource and mining		0.07
NAICS 99	Unclassified	0.12
Unclassified		0.12
NAICS 999	Unclassified	0.12
NAICS 111	Crop production	0.18
NAICS 814	Private households	0.19
NAICS 525	Funds, trusts, and other financial vehicles	0.26
NAICS 321	Wood product mfg.	0.27
NAICS 337	Furniture and related product mfg.	0.28
NAICS 311	Food manufacturing	0.29
NAICS 237	Heavy and civil engineering construction	0.35
	Motion Picture and sound recording industries	0.36
NAICS 512		0.36
NAICS 533	Lessors of nonfinancial intangible assets	0.36
NAICS 485	Transit and ground passenger transportation	0.39
NAICS 721	Accommodation	0.44
NAICS 327	Nonmetallic mineral product mfg.	0.45
NAICS 523	Securities, commodity contracts, investments	0.47
NAICS 454	Nonstore retailers	0.51
NAICS 493	Warehousing and storage	0.51
NAICS 325	Chemical mfg.	0.52
NAICS 713	Amusements, gambling, and recreation	0.55
NAICS 448	Clothing and clothing accessories stores	0.57
NAICS 425	Electronic markets and agents and brokers	0.58
NAICS 424	Merchant wholesalers, nondurable goods	0.59
NAICS 71	Arts, Entertainment, and Recreation	0.62
NAICS 331	Primary metal mfg.	0.63
NAICS 442	Furniture and home furnishings stores	0.63
NAICS 524	Insurance carriers and related activities	0.63
Construction		0.65
NAICS 23	Construction	0.65
NAICS 236	Construction of buildings	0.65
NAICS 339	Miscellaneous mfg.	0.67

Table 10: Location Quotient Group 2 – Moderately Underrepresented Industries

<b>Group 2</b>		
<b>Moderately underrepresented Industries</b>		
<b>L.Q of 0.70 to 0.90</b>		
		<b><u>L.Q.</u></b>
NAICS 238	Specialty trade contractors	0.71
NAICS 447	Gasoline stations	0.71
NAICS 711	Performing arts and spectator sports	0.75
NAICS 22	Utilities	0.76
NAICS 221	Utilities	0.76
NAICS 531	Real estate	0.76
NAICS 53	Real estate and rental and leasing	0.77
NAICS 42	Wholesale Trade	0.79
NAICS 451	Sporting goods, hobby, book and music stores	0.79
NAICS 532	Rental and leasing services	0.79
Financial Activities		0.80
NAICS 322	Paper Mfg.	0.80
NAICS 334	Computer and electronic product mfg.	0.80
NAICS 52	Finance and Insurance	0.81
NAICS 444	Building material and garden supply stores	0.83
NAICS 445	Food and beverage stores	0.83
NAICS 624	Social assistance	0.83
NAICS 44-45	Retail Trade	0.84
Trade, Transportation, and Utilities		0.86
NAICS 481	Air transportation	0.87
NAICS 441	Motor vehicle and parts dealers	0.88
NAICS 446	Health and personal care stores	0.88
NAICS 54	Professional and technical services	0.90
NAICS 517	Telecommunications	0.90
NAICS 541	Professional and technical services	0.90



Table 11: Location Quotient Group 3 – Average Represented Industries

<b>Group 3</b>		
<b>Average representation Industries</b>		
<b>L.Q of 0.91 to 1.10</b>		
		<b><u>L.Q.</u></b>
Leisure and Hospitality		0.91
NAICS 315	Apparel mfg.	0.91
NAICS 811	Repair and maintenance	0.91
NAICS 453	Miscellaneous store retailers	0.92
NAICS 813	Membership associations and organizations	0.92
NAICS 492	Couriers and messengers	0.93
Other Services		0.96
NAICS 81	Other services, except public admin.	0.96
NAICS 72	Accommodation and food services	0.97
NAICS 423	Merchant wholesalers, durable goods	0.97
NAICS 511	Publishing industries, except Internet	1.00
NAICS 712	Museums, historical sites, zoos, and parks	1.01
Professional and Business Services		1.02
NAICS 48-49	Transportation and Warehousing	1.02
NAICS 561	Administrative and support services	1.03
NAICS 56	Administrative and Waste Services	1.04
NAICS 324	Petroleum and coal products mfg.	1.04
NAICS 452	General Merchandise stores	1.04
NAICS 443	Electronics and appliance stores	1.05
NAICS 312	Beverage and tobacco product mfg.	1.06
NAICS 722	Food services and drinking places	1.07
NAICS 522	Credit intermediation and related activities	1.07
NAICS 562	Waste Management and remediation services	1.08



Table 12: Location Quotient Group 4 – Moderately High Represented

<b>Group 4</b>		
<b>Moderately High represented Industries</b>		
<b>L.Q of 1.11 to 1.30</b>		
		<b><u>L.Q.</u></b>
NAICS 335	Electrical equipment and appliance mfg.	1.11
NAICS 515	Broadcasting, except Internet	1.11
NAICS 518	ISP's, search portals, and data processing	1.16
NAICS 623	Nursing and residential care facilities	1.17
NAICS 484	Truck transportation	1.20
NAICS 621	Ambulatory health care services	1.22
NAICS 61	Educational services	1.28
NAICS 611	Educational services	1.28
Manufacturing		1.30
NAICS 31-33	Manufacturing	1.30

Table 13: Location Quotient Group 5 – Very Highly Represented Industries

<b>Group 5</b>		
<b>Very Highly represented Industries</b>		
<b>L.Q of 1.31 or greater</b>		
		<b><u>L.Q.</u></b>
Education and Health Services		1.32
NAICS 62	Health care and social assistance	1.33
NAICS 812	Personal and laundry services	1.34
Information		1.36
NAICS 51	Information	1.36
NAICS 332	Fabricated metal product mfg.	1.38
NAICS 55	Management of companies and enterprises	1.45
NAICS 551	Management of companies and enterprises	1.45
NAICS 622	Hospitals	1.79
NAICS 326	Plastics and rubber products mfg.	1.83
NAICS 488	Support activities for transportation	2.03
NAICS 323	Printing and related support activities	2.18
NAICS 333	Machinery mfg.	2.89
NAICS 336	Transportation equipment mfg.	3.09

## **C. Growth Trends**

A location quotient is limited in use because it only describes the representation of an industry to a particular area, it does not indicate whether the industry is expanding or shrinking in terms of job growth. The Economic Development Director may utilize another important piece of data referring to business sectors and industries using current growth trends. These growth trends take into account a span of years and forecast, for example, the industries with the most newly created jobs. These forecasts can be on the local county level or at the national level. Employment data found on the BLS website, (<http://stats.bls.gov/opub/ted/2005/dec/wk4/art04.htm>), describes the current trend at the national level that highlights employment growth by industry, projected over a span of years from 2004 to 2014. The Bureau lists industries such as employment services, hospitals, health care, restaurants, consulting services, colleges, universities, and professional schools. These industries are currently the subject of newspaper and magazine career articles, which rank these sectors as the best job prospects for college undergraduates and graduates. Current career developments also indicate include large wage and labor force losses in industries where an educated, highly skilled workforce is not required. These industries include crop production, cut and sew apparel manufacturing, fabric mills, and other types of manufacturing. This is true because the “soft” markets have been increasing in size due to the service-oriented demand of the U.S. market. Customization and communication now prevail over the production of manufactured goods for a number of reasons, one of which is the high cost of U.S. labor. It is readily visible by these two growth trends that a demand exists for an educated and highly skilled labor force to support many of these ultra-high growth fields. While it

might seem that little education is necessary for a certain number of specific positions, such as a nurse's aide or employment services that only require some industry knowledge or sales skills, superior communication, practical problem-solving abilities, and teamwork are often vital for competence and, as a corollary, a junior college or a university degree is often the prerequisite.

While it is important to view national economic trends to understand the impact of an economy's direction and workforce essentials, the data collected also pinpoint these same impacts on a local level. Economic development leaders are responsible for interpreting these data and make tough decisions concerning the local economy. The ED must decide what type of industries would best benefit the city. Normally, growth prospects are considered and the ED must contemplate whether the city's infrastructure supports these given industries.

Data, accessed through the BLS, give descriptive information concerning growth patterns in a particular county. One type of data is "Fastest Growing Industries" and includes management of companies and enterprises, administrative and waste services, and information. Another category labeled, "Fastest Growing Occupations", includes Medical Assistants, Computer Software Engineers, Systems Software, and Network Systems and Data Communications analysts. Further county employment projections list some of the same jobs as mentioned before including: community care facilities for the elderly, home health care services, office administrative services, management, scientific, technical consulting services, and employment services (<http://www.ohioworkforceinformer.org>).

The data below refer to the highest growth nationally and locally to highlight industries that are prospering both in terms of employment as well as in output. These data also are cross-referenced to the Location Quotient (L.Q.) which allows one to analyze the under or over representation of a particular industry. Note that the North American Industry Classification System (NAICS) attached to each industry is used.



Table 14: National Growth Trends

<b>National Growth Trends</b>		
<b>NAICS</b>		
<b>High growth Industries (sheer population increase)</b>		
		<b>L.Q.</b>
5613	employment services	1.03
722	Restaurants (full service & limited service eating places)	0.97
622	Hospitals	1.79
611	colleges universities and professional schools	1.28
5416	management, scientific, and technical consulting	0.90
5611	offices of physicians	1.03
Source: (www.data.bls.gov)		
<b>High Growth Industries (by percentage increase)</b>		
621610	home health care	1.22
511210	software publishers	1.00
5416	management, scientific, and technical consulting services	0.90
623	residential care facilities	1.17
561210	facilities support services	1.03
5613	employment services	1.03
611	junior colleges, colleges, universities, and professional schools	1.28
541512	computer systems design and related services	0.90
6214	Outpatient, laboratory and other ambulatory care services	1.22
518	internet and other information services	1.16
Source: (www.data.bls.gov)		
<b>High Growth Output Industries (by percentage increase)</b>		
33411	computer and peripheral equipment mfg.	0.80
3342	communications equipment mfg.	0.80
511210	software publishers	1.36
518	Internet and other information services	1.16
5417	scientific research and development services	0.90
621610	home health care services	1.22
5616	management, scientific, and technical consulting	1.03
523	Securities, commodity contracts, and other financial investments and related activities	0.47
533	Lessors of nonfinancial intangible assets (except copyrighted works)	0.36
5415	computer systems design and related services	0.90
Source: (www.data.bls.gov)		

Table 15: Montgomery County, Ohio Growth Trends

<b>Montgomery County, Ohio Growth Trends</b>		
<b>Fastest Growing Industries</b>		<b>L.Q.</b>
5511	management of companies and enterprises	1.45
56	administrative and waste services	1.04
54-56	professional and business services	n/a
54	professional and technical services	0.90
51	Information	1.36
Source: ( <a href="http://www.ohioworkforceinformer.org">www.ohioworkforceinformer.org</a> )		
<b>Fastest Growing Occupations<sup>2</sup></b>		
n/a	medical assistants	n/a
n/a	computer software engineers, systems software	n/a
n/a	database administrators	n/a
n/a	network systems and data communications analysts	n/a
n/a	environmental engineers	n/a
Source: ( <a href="http://www.ohioworkforceinformer.org">www.ohioworkforceinformer.org</a> )		
<b>Employment Projections by Industry - Long term (2004-14)</b>		
6233	community care facilities for the elderly	1.17
621610	home health care services	1.22
561110	office administration services	1.03
5616	management, scientific and technical consulting services	0.90
5613	employment services	1.03
6214	outpatient care centers	1.22
7131	amusement parks and arcades	0.55
621	ambulatory health care services	1.22
6232	Residential mental retardation, mental health and substance	1.17
6211	offices of physicians	1.22

Source: ([www.ohioworkforceinformer.org](http://www.ohioworkforceinformer.org))

<sup>2</sup> Location quotients correspond to NAICS industries and are unavailable for occupations.



Based on the research presented above, the following are recommendations of industries that would likely provide the City of West Carrollton with an increased labor force and increase the number and size of payroll taxes.

## **D. Recommendations**

**Management, Scientific, and Technical Consulting** would be a valuable commodity not only to the City of West Carrollton, but also to the neighboring communities including the City of Dayton. These consulting services sometimes do not require much land usage, with operations out of a Business Office Park type area. For instance

The vast majority of establishments in the industry are fairly small, employing fewer than 5 workers. Self-employed individuals operate many of these small firms. Despite the prevalence of small firms and self-employed workers, large firms dominate the industry. Approximately 54 percent of jobs are found in the 4 percent of establishments with 20 or more employees, and some of the largest firms in the industry employ several thousand people.

(<http://www.bls.gov/oco/cg/cgs037.htm>)

High salaries also make this industry attractive to the City of West Carrollton that seeks a high income tax base. For example, “According to the Association of Management Consulting Firms, the 2004 average total compensation (salary plus bonus or profit sharing) for research associates was \$52,482; for entry-level consultants, \$65,066; for management consultants, \$89,116; for senior consultants, \$123,305; for junior partners, \$191,664; and for senior partners, \$319,339” ([www.bls.gov/oco/cg/cgs037.htm](http://www.bls.gov/oco/cg/cgs037.htm)).

This is an underrepresented industry within Montgomery County, as its location quotient is .90.

**Employment Services** need a small amount of land in which to operate with small staffs. For example, “The typical employment placement agency has a relatively small permanent staff, usually fewer than 10 workers, who interview jobseekers and try to match their qualifications and skills to those being sought by employers for specific job openings” (<http://www.bls.gov/oco/cg/cgs039.htm>). Salaries in this field have a wide range from highly paid nurses to lower hourly positions such as laborers, handlers, and packers. The employment services themselves, although fraught with online competition, are a good source of semi-skilled workers employing managers and permanent staff with college degrees. With a location quotient of 1.03, this industry has an average representation in Montgomery County.

**Offices of Physicians** contain higher salaries and is a “high growth industry”, for example, “Employment in health care will continue to grow for several reasons. The number of people in older age groups, with much greater than average health care needs, will grow faster than the total population between 2004 and 2014; as a result, the demand for health care will increase.” <http://www.bls.gov/oco/cg/print/cgs035.htm>

Although this industry has an average representation in Montgomery County, with a location quotient of 1.03, the industry prospects are promising for the City. West Carrollton, a land deprived city, would benefit from offices that use little acreage, therefore this industry would be a good target industry.



**Computer Systems Design and Related Services** encompass the wide range of services, which corporations need to operate on a daily basis as well as compete strategically. This industry is certainly high-growth as “Wage-and-salary employment is expected to grow 40 percent by the year 2014, compared with only 14 percent growth projected for the entire economy” (<http://www.bls.gov/oco/cg/cgs033.htm>). Salaries of the various occupations in this industry such as computer programmers, systems analysts, and MIS roles are higher than average with “annual earnings of computer and information systems managers ranged from less than \$60,810 for the lowest paid 10 percent to more than \$145,600 for the highest paid 10 percent in May 2004” (<http://www.bls.gov/oco/cg/cgs033.htm>). In addition, the location quotient is .90, which indicates it is a moderately underrepresented industry in Montgomery County.

The Strengths, Weaknesses, Opportunities, and Threats analysis combined with the location quotient and growth trends resulted in the above industry recommendations for the City of West Carrollton Economic Development. These industries promise to bring high employee salaries and occupy little acreage, while the given industries will establish a trend of future job growth based on the data supplied in this report. The aforementioned proposal regarding industry, business, and job growth serves as a foundation for marketing, business development and attraction, and revitalization plans; however, it is necessary to couple it with firm economic development incentive programs. A widely used economic development tool, referred to as “Tax Increment Financing” or simply TIF, assists the ED Director in funding land development, redevelopment, and renewal projects thereby allowing these high-growth industries to enter and establish business

within a given municipality; in this example, the City of West Carrollton. The following section delves into the intricacies of Tax Increment Financing to define and display benefits and drawbacks to implementing this economic development tool.

### **III. Tax Increment Financing (TIF)**

As mentioned, the main goal of an Economic Development Director is to utilize land and buildings by attracting and retaining businesses, Tax Increment Financing assists in reaching this objective. TIF is a development tool that local units of government use to finance public interest and leverage private investment. This type of financing requires state legislation for a city to finance specific projects. Summarized is an Ohio Tax Increment Financing program definition:

An economic development mechanism available to local governments in Ohio to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. A TIF works by locking in the taxable worth of real property at the value it holds at the time the authorizing legislation was approved. Payments derived from the increased assessed value of any improvement to real property beyond that amount are directed towards a separate fund to finance the construction of public infrastructure defined within the TIF legislation.

<http://www.odod.state.oh.us/edd/tif/>

Originally developed as a way to address blighted areas, TIF employs a separate fund to allow money to accrue for future development uses. TIF finances many types of projects because of the ease and flexibility of the program. Moreover, the benefits of this incentive often outweigh the costs, as an example shows.

#### **A. TIF: A Versatile Economic Development Tool**

Citizens often have anti-tax sentiments; therefore, creating TIF can be beneficial because it does not represent an additional direct tax to the community. Although it taxes the increase in value of the given parcel of land or district, this increase in tax revenues will

go into a separate fund to make improvements to the land for further economic development.

States must first approve a TIF before cities' Economic Development administrators apply it; therefore, the state is compelled to engage in TIF activities for city support purposes. Jack R. Huddleston (1981, p. 374) states, "...the subsidies provided to the cities under law will be sufficient to induce communities to undertake development or redevelopment efforts". Without TIF and state support, city governments might not have invested in the development of a certain parcel of land or building. Tax Increment Financing, therefore, provides municipalities with a means to spur economic growth that organically would not have happened.

Another interesting perspective on TIF is its increase of usage and flexibility in the growing suburban areas. As Huddleston notes, "...TIF law[s] tend to favor suburbs and smaller communities..." (1981, p. 374). This suggests that the tendency to utilize TIF as a financial development program may cause or effect the blossoming of suburban and small communities.

The overview of Tax Increment Financing described above specifically focused on the State of Ohio. Another description, categorized as a TIF, includes an incentive to develop land or a building that would be otherwise undeveloped. Huddleston describes the process for such a TIF incentive:

...a city creates an artificial tax boundary or district containing a known amount of property value, referred to as *base* value, at the time of creation. Then for a prescribed number of years, the city may make certain expenditures to promote the development or redevelopment of property



within the district, typically involving the purchase and/or clearing of land, street improvements, infrastructure provision, and so forth (1981, p.374-375)

The operative word in the above paragraph is “promote”, which represents how this property will be developed or redeveloped. Many properties go untouched because of the high cost of development or redevelopment; the funds are severely limited for such a project. TIF makes projects previously thought impossible possible by creating a district and an account containing funds for improvements (as defined by state law). These improvements likely would never have come to fruition without the help of a TIF district.

As Huddleston further explains

The expenditures made by the city are reimbursed over time by the various governments having taxing power over the property values within the district by the payment of tax increments. As property values in the district increase above the base level, tax increments are generated by applying the general property tax rate for each unit of government involved to the growth in the district’s tax base. (1981, 375)

The above paragraph explains the “gap” between base taxed value and the increased value, which is also taxed to fund the account for improvements.

The Huddleston article describes the effect that a TIF program residing within a city has on each of the parties involved directly and indirectly: the taxpayers, the county, school district, and the city. While the city wants to make improvements based upon implementing TIF, the county and school district must also contribute to the tax increment, which puts pressure on these two somewhat reluctant participants to increase taxes to “cover their tax increment payments to the city” (Huddleston, 1981, p.375). Therefore, “city taxpayers, in turn, share in the increased levies of both the county and

the school district, as do all owners of property within both tax jurisdictions” (Huddleston, 1981, p.377).

Further examined is the point of whether TIF subsidies are “effective”. As stated above, if a city implements a TIF project and subsequently provides subsidies for development, then the city, county, and school district, as taxing bodies, are responsible for providing financial assistance. Huddleston, using an example of a TIF within a city, narrows this governmental scope and focuses solely on the distinction between city taxpayers and “other” taxpayers; meaning “those residing in the affected taxing jurisdictions, but outside the city” (1981, p. 377). Huddleston asserts that the rate of “effective” subsidy is calculated by the “percentage of development expenditures made by city governments which is paid by non-city *taxpayers*” (1981, p. 377). Consequently, city taxpayers’ TIF benefits are subject to the proportion of payments received from taxpayers in the school district and county jurisdictions. It is important to isolate this description of “effective” as only relating to the share of tax payments. For instance, “effective” TIF subsidies, in general terms, result from providing an incentive for businesses to locate within the designated TIF area and create new jobs. This provides an objective standpoint in which to measure and quantify the effectiveness of a TIF program as it relates to the taxpayer.

From a purely historical perspective, TIF “originated in California in 1952 as a means to provide local matching funds for federal grants” (Klacik & Nunn, 2001, p.17). As TIF evolved as a financing mechanism, it was clear that “without the use of TIF’s the general tax base of the city alone would bear the cost of providing the local incentives necessary

to obtain certain economic projects ...” (Klacik & Nunn, 2001, p.17-18). As a result, “by 1992, Forgey reported that forty-four states had authorized TIF” (Klacik & Nunn, 2001, p.18).

Author Joyce Y. Man addresses the origin of cities’ reliance on TIF. She explains that many inner cities began to decline throughout the 1970’s and 1980’s even though the economy grew during these two decades. As Man (2001, p. 88) quotes a National League of Cities Report by Ledebur and Barnes (1992, p.4):

More than 5.5 million people lived in poverty at the end of the decade of the 1980’s than 10 years previously. Over this period, poverty became increasingly concentrated in the nation’s central cities. These trends result in systematic differentials among localities in income, wealth, and poverty. These differences create fiscal stress in many central cities

This decline led cities to seek help through financing programs and incentives to support a crumbling infrastructure. Blighted areas became harder to develop due to the increase in urban sprawl; “real estate developers and investors [were] more willing to choose outlying areas of the city as their location choices of investment because land in these areas [was] usually less expensive, and the infrastructure there [was] often in a better shape” (Man, 2001, p. 89). As a result, TIF became a tool used for inner city rebuilding and redevelopment.

Man also speaks about TIF as a response to “fiscal stresses.” It was in the 1980’s that “big government” was considered the enemy and fiscal restraint was encouraged. This had an effect on the federal monies that states received for inner city infrastructure repairs. Even the city governments themselves were, in the 1980’s, met by a Reagan



Administration that preached lower taxes; the cities no longer had the same federal and state fiduciary support. As Man states, “the trends clearly indicate that state and local governments, especially cities, have become less of a national priority in the 1980’s and early 1990’s” (2001, 92). Therefore, city governments had to create a means by which to support the infrastructure of the city and address blighted areas; TIF was a creative way to accomplish this task in the face of diminishing financial assistance.

Because TIF is a borrowing technique that allows a city to substitute current borrowing for future revenue, it becomes especially appealing to the cities that have experienced fiscal stresses and are facing difficulty in further raising property taxes to meet infrastructure needs  
(Man, 2001, p. 92)

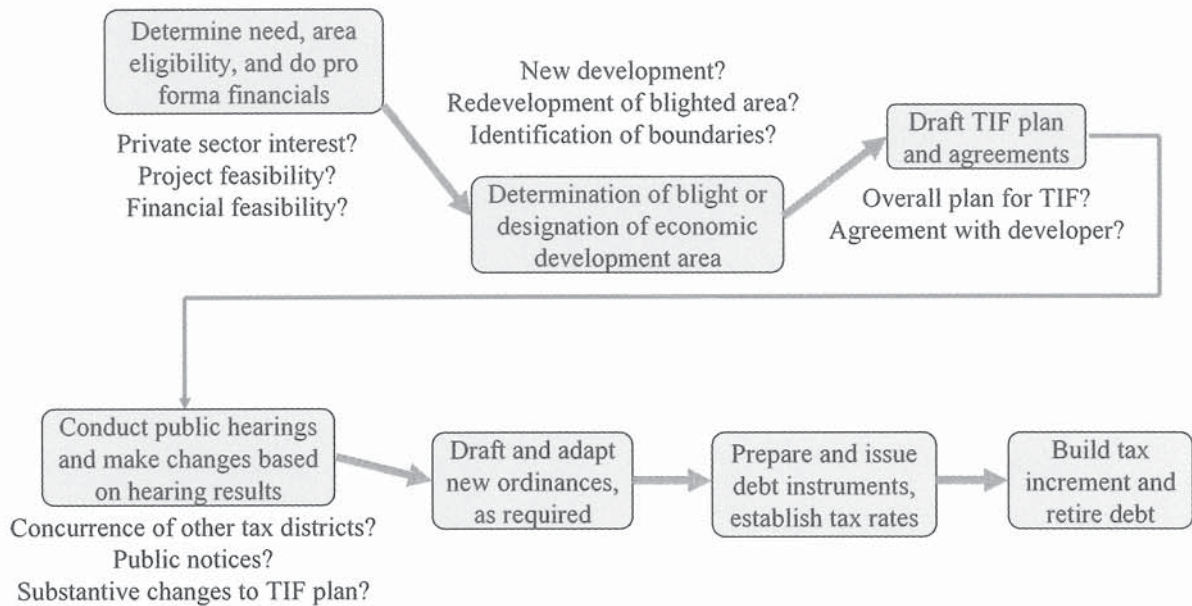
While the above paragraph represents a historical perspective of TIF, it is important to highlight that revenues generated from a TIF project to fund designated areas remain. Klacik and Nunn list two ways in which to distribute and use these TIF funds, “TIF sponsors may use incremental revenues as they are received to pay for infrastructure construction or ...choose to incur debt based on anticipated future revenue streams” (2001, p.18). This gives the option to either spend the TIF fund money as redevelopment occurs or borrow against the expected proceeds by, for example, issuing bonds. It is also important to understand the issues and differences between the two methods. For instance, the “pay-as-you-go” method, where the City waits annually to reap the incremental tax funds, has smaller revenue streams from which to draw, while the method that incurs debt based on anticipated revenue streams has an increased risk. As Klacik and Nunn state, “TIFs that assume debt incur increased risk because incremental revenue must be projected annually for the duration of the debt” (2001, p. 24).



An additional way in which to describe TIF is to create a flow chart of the steps involved. The TIF process, adapted from Paestch and Dahlstrom and referenced by authors Klacik and Nunn (2001, p. 19), delineates the procedure as shown below.

Figure 2

A seven-step Tax Increment Financing (TIF) Process



Briefly, following the depicted steps, we first have to determine if the area is in need of a TIF and whether there is a private interest to development a project to creating financial feasibility. Second, is analyzing the area in need of a TIF by asking the question: are there boundaries and established structures or is new development necessary? The third step drafts the plan that guides the overall process legally and practically. The plan takes into account Step 4, which could possibly make changes in the plan itself due to concerns in a public hearing forum. Step 5 recognizes the edited version of the plan and Step 6 is the positioning of necessary tax rates and debt instruments. Step 7 follows with accruing

the tax increment funds and retiring the previous accumulation of debt. Although this is a generic description of the process, it can give an overview of the process involved for administrators so they are able to track their progress as well as to anticipate the next step.

Note that in actual practice, these steps may take a different order; as stated by Director of Economic Development, Kathy Perkins, “In my opinion, I believe it is critical to engage the school system from the very beginning”. School board involvement, consequently, would take precedence and be an addendum to step three.

(October 31, 2006).

The final step to the TIF process is collecting the property tax revenues that fund the project. There are, conversely, no guarantees that this designated area of property will increase in value. The resultant effect of what authors Klacik and Nunn call a “declining assessed value” is ultimately two “critical impacts: (a) the revenue going to the contributing jurisdictions decreases, and (b) the TIF sponsor authority will not have the incremental revenue needed to pay for infrastructure expenditures” (2001, p. 21-22).

Even a stable value might not allow the TIF to be successful. Klacik and Nunn contend “...if the base assessed value remains the same, contributing jurisdictions [city water and sewer, library, school district, and county] will be no worse off than before the base year, but the sponsoring jurisdictions [municipalities] will face a shortage of incremental revenue” (2001, p. 22). For TIF to be an effective redevelopment tool to support infrastructure, an appreciation of assessed property value must occur.

## B. TIF Costs versus Benefits

In Sullivan, Johnson, and Soden's "Tax Increment Financing (TIF) Best Practices Study", the authors place mathematical emphasis on the costs and benefits of creating a TIF district, including property value effects (2002, p. 12). Included are the following determinate variables:

$V_{\text{Base}}$  = Base property value of TIF district

$\text{Tax}_x$  = Combined municipal tax rate

$G_b$  = Annual growth rate in TIF property values

$K$  = Cost of funds (bond issuance rate) for the municipality

The model's form appears as:

$$\text{Net Present Value (NPV of TIF)} = \sum_{t=1}^n \frac{(V_{\text{Base}})(\text{Tax}_x)((1+G_b)^t) - 1}{(1+K)^t} - (\text{Costs})$$

The ED Director must research and obtain the above variables before the TIF process.

This study will assume a plausible example:

A city is considering the creation of a TIF district in which current total property values (less exemptions) are \$530 million. The combined municipal tax rate is \$1.9657 per \$1000 of valuation. If the TIF district is created, all taxing authorities will participate. The city will spend \$1 million initially in infrastructure improvements on the district that will generate a post-TIF growth rate in property values of 5 percent. Assume a 10-year life for the TIF district and a municipal bond rate for the city of 7 percent (Sullivan, Johnson, and Soden 2002, p12)

The numerical representation of the variables, therefore, is:

$V_{\text{Base}} = 530 \text{ mm}$

$\text{Tax}_x = .0019657$  (as the 1.9657 is per *thousand*)

$G_b = .05$



$$K = .07$$

Where total cost for initial infrastructure is \$1mm or Cost = \$1,000,000

This equation gives an abundance of information resulting from the TIF including:

- The numerator represents the tax increment as  $(V_{\text{Base}}) (\text{Tax}_x) ((1+g_b)^t - 1)$  or numerically represented is:  $(530\text{mm})(.0019657)((1.05)^1 - 1) = \$52,091$
- “TIF Property Value” is the property value that results from the TIF program, which is the  $(V_{\text{Base}}) (1 + G_b)$  or numerically represented  $(530 \text{ mm}) (1.05) = \$556,500,000$
- “Excess Valuation” is the TIF Property Value minus the Original (base) Property Value, numerically stated  $\$556,500,000 - \$530,000,000 = \$26,500,000$
- Thus, solving for the first year,  $[(530\text{mm}) (.0019657) ((1+.05) - 1)] \div [(1+.07)] = \$48,683$ . The Present Value of the tax increment is therefore, \$48,683 for year 1.

The above represents only the first year. Creating a spreadsheet is a more effective and efficient way of conducting an expanded year-by-year analysis, as shown below:

Table 16: Tax Increment Financing (TIF) Costs versus Benefits analysis

Year	TIF Property Values	Excess Valuation	Tax Increment	PV of Tax Increment
1	\$556,500,000	\$26,500,000	\$52,091	\$48,683
2	\$584,325,000	\$54,325,000	\$106,787	\$93,272
3	\$613,541,250	\$83,541,250	\$164,217	\$134,050
4	\$644,218,313	\$114,218,313	\$224,519	\$171,284
5	\$676,429,228	\$146,429,228	\$287,836	\$205,223
6	\$710,250,690	\$180,250,690	\$354,319	\$236,098
7	\$745,763,224	\$215,763,224	\$424,126	\$264,124
8	\$783,051,385	\$253,051,385	\$497,423	\$289,505
9	\$822,203,954	\$292,203,954	\$574,385	\$312,428
10	\$863,314,152	\$333,314,152	\$655,196	\$333,068
NPV (TIF)				<b>\$2,087,735</b>
Total Costs				<b>\$1,000,000</b>
Total Cost vs. Benefit of TIF				<b>\$1,087,735</b>

The positive cost versus benefit figure displayed in the spreadsheet represents that this project should be undertaken; likewise, had a negative number resulted, then costs would



have outweighed the benefits. If costs outweigh benefits, the ED Director must reevaluate the project or determine another course of action for the area or parcel of land. In general, from the above process, the ED Director can compute a Cost to Benefit Analysis to indicate whether a fiscal benefit of a TIF is possible.

### **C. An argument against TIF – the NEA**

Tax Increment Financing has become a very popular way to fund new projects in urban and suburban areas. TIF, as described in this paper, is a beneficial economic development tool used to repair blighted areas, build an infrastructure for an undeveloped land area, and attract new business. With this said, many public school districts and the National Education Association (NEA) argues that TIF affects public educational funding. These school districts have strong beliefs that TIF is directly responsible for shifting funds from social economic programs such as education straight into the pockets of already-rich corporations. For instance, “For some time, corporations have been convincing state legislatures, county boards, and city councils to lower business’ taxes to foster a better ‘business climate’ (NEA, 2003, p. 5). The NEA further states, “The loss to the public of tax revenues is thus no minor issue, especially when these potential revenues flow into unnecessary tax giveaways to businesses” (NEA, 2003, p. 5). Thus, this highlights the degree to which the NEA is concerned about the use of such financial instruments as TIF.

Another NEA concern about TIF is the number of years the school system must go without these property taxes. For instance, depending on the size of the revenue streams from increased property taxes, many TIF projects may take decades to become profitable.

These are years, as the NEA contends, the school system is without these monies. As the NEA states, “Local property taxes are a key source of funding for today’s schools, supplying almost a third of the budgets for public K-12 education (U.S. Census Bureau 1998)” (NEA, 2003, p. 5).

Described previously were the theoretical and practical reasons behind creating a TIF district. Yet, the NEA underscores the political angle behind the use of a TIF, described as an ‘economic war among the states’ (NEA, 2003, p.5). For example, a state may market its TIF program with the intent to lure business away from a nearby state. The NEA gives evidence that grants, tax-free bonds, and tax exemptions percentages have increased from 1977 to 1998. The reasoning behind the increase is that more states, cities, and counties are using programs such as TIF to disguise the tax burden placed upon the citizens of a community. Rather than to raise funds by taxing local corporations, revenues are garnered from the community through TIF. The NEA supports this claim by stating, “No state discloses corporate income tax returns to the public. Most do not publish reliable aggregate data on how much money they do *not* collect in the name of promoting economic development” (NEA, 2003, p. 6). The NEA’s claim is that of a “zero-sum game” in which states will do whatever it takes to attract companies from other states by incentives such as TIF. For example, it is irrelevant whether a job is located in Indiana or Ohio because there is no job creation, only redistribution that results in a zero-sum game. Furthermore, when analyzing a worse case scenario, there are often huge costs versus small benefits of such state officials willing to bring jobs to the state, ignoring fiscal responsibilities. One NEA reference states, “In the early 1990’s, Alabama got another

European auto manufacturer to locate an assembly plant in state in return for subsidies of about \$253 million – a cost of nearly \$169,000 for each of the 1,500 jobs directly created” (NEA, 2003, p. 7). The NEA refers to a study that found “none of the 17 states achieved a positive fiscal flow as a result of revenue gained from corporate-incentive-based job creation, and even in year 20 of the projection, the per job revenue loss was still \$6,500 annually” (NEA, 2003, p. 7). Again, the political pressure on an elected official to “do whatever it takes” to create jobs is evident in the examples given above.

Specifically, the NEA cites a case study to explain the effects that TIF has on Ohio school districts. The NEA states, “Economic development subsidies have created real problems for school districts in Ohio. Property tax abatements and TIF cost Ohio schools more than \$100 million in potential tax revenue in 1999” (NEA, 2003, p. 19). Diverting TIF funds back into the TIF district for uses such as public upgrades on roads and building improvements, rather than to Ohio school districts is to blame for this loss of tax revenue. Overall, the message from the NEA and their criticism of TIF is that the method essentially steals funds from school systems. Often, these school systems are limited in stopping the TIF and the subsequent diversion of property taxes. The article states, “Only Kansas, Minnesota, Ohio, Pennsylvania, and Texas give school boards a formal say about whether or not the school portion of property taxes may be abated” (NEA, 2003, 15). Furthermore, “Michigan, Minnesota, and Ohio jurisdictions must notify the affected school boards before authorizing TIF” (NEA, 2003, 15). Therefore, even though TIF, according to the NEA, is controversial and in some ways detrimental to a school district, the school board is not without power.



As one might conclude from the section above, the NEA has a very strong view on TIF creation. In the following section, the NEA's stance is stated, and then countered; lastly, research from the previous sections regarding TIF provides a final stance.

#### **D. TIF Summary**

Although the NEA's arguments against TIF mainly stem from the "potential tax revenue" lost by the school districts, one must consider that without the tax abatement or TIF, these areas might never be developed. Often, the fiscal reasoning behind creating a TIF district is to develop an area of land that cannot find the traditional financing that other areas enjoy. The NEA also makes the point that "potential revenue is lost because the state does not reimburse them [local school districts] for tax breaks affecting levies for capital outlay and debt service" (NEA, 2003, p. 20). The school boards, nevertheless, usually accept the economic development plan to designate a TIF district. As West Carrollton's Director of Economic Development, Kathy Perkins stated, "It is vital that the school board is on the same page of the city administration for TIF to be successful". The article confirms this by asserting, "School boards in Ohio do play an advisory role in economic development decisions..." (NEA, 2003, p. 20). In summary, creating a TIF district is the correct fiscal approach as a solution to revitalizing a blighted area. The above statements supported by a realistic Cost versus Benefit Analysis further strengthen its usage and provides a logical and impartial method to prejudge, based upon data, if a proposed TIF district will be successful. Although originally it was marred with legal paperwork and "red tape", it has now become a flexible and useful tool in the fight against dilapidated



properties and stagnant business zones. While there are unending debates for and against TIF, I believe the evidence presented in the above sections displays a need for this development method. In particular, if West Carrollton's administration should choose to undergo redevelopment efforts to attract and entice future business, the Tax Increment Financing incentive program is a means in which to make this possible.

## **IV. Reflections**

West Carrollton's issues are not unique. Many cities considered "inner-ring suburbs" face the same obstacles and difficulties; therefore, developing a pragmatic methodology to solve the City's major hurdles would act as a handbook or reference for similar communities' city administrations. Using the previous sections, I have created an outline to a three-part process that also summarizes my experiences as an intern for the City of West Carrollton Economic Development Department. These subsequent subsections summarize and describe the three steps taken to recognize and then remedy the City's economic development challenges.

### **A. Identify and Define the Issues**

Recall that the main issues included: a declining housing stock, a land-locked City with limited room for expansion, redefining a lackluster image of the City, and an inner-ringed City plagued with urban sprawl. In retrospect, identifying those economic issues surrounding the City was the first crucial step in determining the best strategy and tactics. Methods in researching economic problematic spots often appeared in the form of using historical data to draw conclusions and speaking with city administrators such as the City Manager and City Planner. For instance, in West Carrollton, Economic Development Director Kathy Perkins utilized past economic data such as employment figures and housing data to analyze the City's profile. She also read local newspaper articles and

spoke with City residents to develop an understanding of what these citizens felt were the City's problems. In addition, by communicating with other surrounding cities' administrators, Ms. Perkins was able to identify the problems associated with older suburbs. This type of communication, exemplified in a meeting between West Carrollton and Miamisburg planning and development administrators, elaborated on both Cities' opportunities such as zoning, business development, and retention. This discussion was important for two reasons. First, it revealed urban sprawl *has* affected Miamisburg and second, it showed how the City was able to respond and continue to attract and retain businesses through such projects as the redevelopment of the Mound Advanced Technology Center and supporting local businesses with incentives to upkeep building aesthetics and make structural improvements.

Once the major issues were recognized and defined, city administration could focus on those ills and not lose sight of the objectives. For example, analyzing a parcel of land known as the former Frazier Paper business, zoned as "heavy industrial." Both the Economic Development Director and the City Planner agreed that this zoning was inappropriate and rezoned the area "Business". City Council involvement was necessary since neither the owner nor the City Planner and Economic Development Director could agree. Although the ruling still rests on City Council's final decision, powerful statements by city administration will lead to the zoning change. The issue of the zoning challenge is important because it displayed city administration's recognition of one of the issues: a land-locked City with limited room for expansion. Without this affirmation, seemingly

small debates and rulings compound to deteriorate further the City's economic climate by exacerbating the City's main challenges.

## **B. Brainstorm and Choose Solutions**

After identifying and understanding the major issues at hand, the second step is deciding upon the appropriate solution. For example, one way to confront the problem of inner-ring suburbs dealing with urban sprawl could be by trading ideas in groups such as The First Suburbs Consortium, described as

*The largest government-led advocacy organization in the country working to revitalize mature, developed communities, and raise public and political awareness of the problems and inequities associated with urban sprawl and urban disinvestment* <http://www.firstsuburbs.org/>

Similarly, the I-70-75 Development Association assists with solidifying relationships between communities to help bolster business development and retention. The organization's website describes membership and purpose

*The I-70/75 Development Association is a membership organization made up of a broad consortium of community and business representatives from throughout the regions served by I-70 and I-75. Over 220 economic development professionals and representatives from government, private industry, chambers of commerce and area development organizations are active members of the I-70/75. The association promotes professional development and regional cooperation through informative monthly breakfast meetings, training seminars, newsletters, professional networking and governmental outreach.*  
<http://www.i70-75.org/index.php>

West Carrollton, a member of The I-70/75 Development Association, uses this as a way to brainstorm and trade ideas with local city administrators; as a result, the City's business landscape has improved from an increase in networking with local area private businesses.



## **C. Implement**

The final phase is to implement. This is the most important step since it results in the proposed solution becoming either a success or possibly a failure. In addition, at the time of implementation, a set investment of considerable time, effort and money has amounted; therefore, one should follow through with the selected strategic solution. If problems or issues arise, one must revise tactics as needed. For instance, after identifying the City of West Carrollton's central issues, I proposed various solutions with Economic Development Director Kathy Perkins. One solution was to meet with local business owners and conduct a survey to chart business sentiments; however, the chosen solution was to conduct the S.W.O.T. analysis. While my strategy was consistent, my tactics changed. For instance, my main source of data was information supplied by the City. When I discovered this information was insufficient, I had to change my tactics and find an alternate source, which resulted in use of the Internet. I also discovered that the Location Quotient quantified my internet research and added support to my findings. After this phase, one may choose to reflect back upon the many meetings, deadlines, and completed tasks and piece together what is the conceptual view of a particular city; it is this view that allows administrators to acquire the foresight to make new strategic plans while managing existing tactical projects. For example, it is now apparent that West Carrollton is and continues to be in a transitional phase. This phase of implementation has a goal of transforming West Carrollton from a blue-collar inner ring city into a service and informational technology-driven city. This phase is important to recognize because the City currently has a perception by neighboring communities as a "blue

collar” town. It is the Economic Development Director’s responsibility to address this image issue by applying sound economic tools. For instance, TIF, SWOT, and Location Quotient are just three of the many economic development tools at the Economic Development Director’s disposal. By utilizing these development methods, the West Carrollton Economic Development Director is able to uncover local and regional trends (SWOT), make the necessary calculations (Location Quotient), and finally create the wherewithal which will transform parts of the City into newfound growth centers (TIF). With the implementation of these economic development projects, West Carrollton is certainly on the pathway to growth.

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